



STATE OF MICHIGAN
DEPARTMENT OF EDUCATION
LANSING



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PUBLIC INSTRUCTION

October 23, 2006

TO: Local and Intermediate School Superintendents, Public School Academy Directors,
and Nonpublic School Administrators Participating in Consortia for National School
Lunch Program Commodities

FROM: Carol Wolenberg, Deputy Superintendent *CW*

SUBJECT: Plan of Action for the Reinstatement of Consortia Following the Dismissal of Northern
Warehousing, Inc. vs. State of Michigan, Department of Education Lawsuit

The purpose of this message is to provide an update concerning the most recent ruling issued by the Michigan Court of Claims in the matter of Northern Warehousing, Inc., vs. State of Michigan, Department of Education (MDE).

On October 11, 2006, Judge Nettles Nickerson granted the Michigan Department of Education's motion to dismiss the lawsuit. Due to the favorable decision, the Michigan Department of Education will begin the process to re-establish the consortia originally formed for the distribution of U.S. Department of Agriculture (USDA) commodity food products.

There is good news for the districts in the consortia in the regions affected by the lawsuit. As previously mentioned in the letter of September 29, 2006, MDE has received clarification from the USDA regarding the 2005-06 commodity allocation balances that remained at any processor for which the consortia had a contract but for which MDE did not. Individual consortium members will be able to access these carryover balances immediately from the processors for their use. In addition, MDE will contact the processors with State processing contracts to transfer the consortia carryover balances from SY 2005-2006 back to the consortia members.

To help facilitate the consortia schools with their entitlement for SY 2006-2007, donated and DOD fresh fruit and vegetables will be available from the consortia contracted distributors as products arrive in their warehouses.

We will report the results of the other adjustments that will be made to reinstate the entitlement dollars for SY 2006-2007 as soon as we have made the necessary calculations. All of us at MDE appreciate your patience and understanding as we work with USDA to facilitate all of the changes in the delivery of commodities for the consortia members. Questions regarding the reestablishment of the consortia may be directed to Jayme Priest at priestj@michigan.gov or 517-373-8642.

cc: Jon Tomlanovich, MAISA
Tom White, MSBO

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